



Testimony

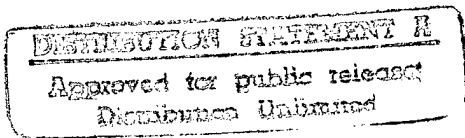
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THE RESULTS ACT

Observations on GSA's Strategic Plan

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Results Act: Observations on GSA's Strategic Plan

Under the Government Performance and Results Act of 1993, executive agencies are to develop strategic plans in which they define their missions, establish results-oriented goals, and identify strategies they will use to achieve those goals. The Act specifies that strategic plans should contain six elements: (1) a mission statement; (2) agencywide long-term goals and objectives; (3) approaches (or strategies) and the various resources needed to achieve the goals and objectives; (4) a description of the relationship between the long-term goals/objectives and the annual performance plans; (5) an identification of key external factors; and (6) a description of how program evaluations were used to establish and revise strategic goals. GAO's July 1997 report—The Results Act: Observations on GSA's April 1997 Draft Strategic Plan (GAO/GGD-97-153R, July 11, 1997)—conveyed GAO's analysis of the April 1997 version of GSA's draft plan. Since that time, GSA prepared the plan for submission to OMB and Congress on September 30, 1997, as required by the Results Act.

GSA's April 1997 draft strategic plan contained all the six components required by the Results Act. However, the draft plan generally lacked clarity, context, descriptive information, and linkages among the components. GSA has since made a number of improvements, and the six components now better achieve the purposes of the Act. However, additional improvements would strengthen the September 30 plan as it evolves over time. The September 30 plan continues to have general goals and objectives that seem to be expressed in terms that may be challenging to translate into quantitative analysis. The strategies component is an improvement over the prior version but would benefit from a more detailed discussion of how each goal will actually be accomplished.

Although the external factors in the September 30 plan are clearer and provide more context, the factors are not clearly linked to the general goals and objectives. The program evaluations component provides a listing of the various program evaluations that GSA used, but it does not include a required schedule of future evaluations. Although the plan does a much better job of setting forth GSA's statutory authorities, this addition could be further improved by linking the different authorities to either the general goals and objectives or the performance goals. The plan also refers to three related areas—crosscutting issues, major management problems, and data reliability—but the discussion is limited and not as useful as it could be in articulating how these issues might affect successful accomplishment of goals and objectives. This is especially true for major management and data reliability problems, which can have a negative impact on measuring progress and achieving the goals.

The Results Act: Observations on GSA's Strategic Plan

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss our observations on the General Services Administration's (GSA) strategic plan. This plan was prepared for submission to the Office of Management and Budget (OMB) and Congress on September 30, 1997, as required by the Government Performance and Results Act of 1993 (the Results Act).¹ Building on our July 1997 report on GSA's April draft plan,² I will discuss the improvements GSA has made and areas where GSA's strategic plan can be improved as it evolves over time.

GSA's April 28 draft strategic plan contained all the six components required by the Results Act. However, the draft plan generally lacked clarity, context, descriptive information, and linkages among the components. GSA has since made a number of improvements, and the six components better achieve the purposes of the Act. However, additional improvements would strengthen the September 30 plan as it evolves over time. The September 30 plan continues to have general goals and objectives that seem to be expressed in terms that may be challenging to translate into quantitative analysis. The strategies component is an improvement over the prior version but would benefit from a more detailed discussion of how each goal will actually be accomplished.

Although the key external factors component in the September 30 plan is clearer and provides more context, the factors are not clearly linked to the general goals and objectives. The program evaluations component provides a listing of the various program evaluations that GSA used, but it does not include the required schedule of future evaluations. Although the plan does a much better job of setting forth GSA's statutory authorities, this addition could be further improved by linking the different authorities to either the general goals and objectives or the performance goals. The plan also refers to three related areas—crosscutting issues, major management problems, and data reliability—but the discussion is limited and not as useful as it could be in trying to assess the impact of these factors on meeting and measuring the goals. This is especially true for major management and data reliability problems, which can have a negative impact on measuring progress and achieving the goals.

¹P.L. 103-62.

²The Results Act: Observations on GSA's April 1997 Draft Strategic Plan (GAO/GGD-97-147R, July 7, 1997)

Background

In the 1990s, Congress put in place a statutory framework to address long-standing weaknesses in federal government operations, improve federal management practices, and provide greater accountability for achieving results. This framework included as its essential elements financial management reform legislation, information technology reform legislation, and the Results Act.

In enacting this framework, Congress sought to create a more focused, results-oriented management and decisionmaking process within both Congress and the executive branch. These laws³ seek to improve federal management by responding to a need for accurate, reliable information for congressional and executive branch decisionmaking. This information has been badly lacking in the past, as much of our work has demonstrated. Implemented together, these laws provided a powerful framework for developing fully integrated information about agencies' missions and strategic priorities, data to show whether or not the goals are achieved, the relationship of information technology investment to the achievement of those goals, and accurate and audited financial information about the costs of achieving mission results.

The Results Act focuses on clarifying missions, setting goals, and measuring performance toward achieving those goals. It emphasizes managing for results and pinpointing opportunities for improved performance and increased accountability. Congress intended for the Act to improve the effectiveness of federal programs by fundamentally shifting the focus of management and decisionmaking away from a preoccupation with tasks and services to a broader focus on results of federal programs.

Requirements Under the Results Act

Under the Results Act, executive agencies are to develop strategic plans in which they define their missions, establish results-oriented goals, and identify strategies they will use to achieve those goals. The Act specifies that all agencies' strategic plans should have six critical components: (1) a comprehensive agency mission statement; (2) agencywide long-term goals and objectives for all major functions and operations; (3) approaches (or

³The primary financial management reform legislation Congress enacted is the Chief Financial Officers Act of 1990, as expanded by the Government Management Reform Act of 1994. These laws provide the basis for identifying and correcting financial management weaknesses that have cost the federal government billions of dollars and leave it vulnerable to waste, fraud, and mismanagement. They also set expectations for agencies to deploy modern systems to replace existing antiquated, often manual processes; develop better performance and cost measures; and design results-oriented reports on the government's financial condition and operating performance by integrating budget, accounting, and program information. Information technology reform legislation, including the Paperwork Reduction Act of 1995 and the Clinger-Cohen Act of 1996, was based on the best practices used by leading public and private organizations to more effectively manage information technology.

strategies) to achieve the goals and objectives and the various resources needed; (4) a description of the relationship between the long-term goals/objectives and the annual performance plans required by the Act; (5) an identification of key factors, external to the agency and beyond its control, that could significantly affect achievement of the strategic goals; and (6) a description of how program evaluations were used to establish and revise strategic goals and a schedule for future program evaluations.

Summary of Key Observations From Our July Report

We reported in July that the April 28 draft plan included the six components required by the Results Act and the general goals and objectives in the plan reflected GSA's major statutory responsibilities. However, our analysis showed that the plan could have better met the purposes of the Act and related OMB guidance. Two of the required components—how goals and objectives were to be achieved and program evaluations—needed more descriptive information on how goals and objectives were to be achieved, how program evaluations were used in setting goals, and what the schedule would be for future evaluations to better achieve the purposes of the Act. The four other required components—mission statement, general goals and objectives, key external factors, and relating performance goals to general goals and objectives—were more responsive to the Act but needed greater clarity and context. We also noted that the general goals and objectives and the mission statement in the draft plan did not emphasize economy and efficiency, as a reflection of taxpayers' interests. Also, the general goals and objectives seem to have been expressed in terms that may be challenging to translate into quantitative or measurable analysis, and there could have been better linkages between the various components of the plan.

We also reported that the plan could have been made more useful to GSA, Congress, and other stakeholders by providing a fuller description of statutory authorities and an explicit discussion of crosscutting functions, major management problems, and the adequacy of data and systems. Although the plan reflected the major pieces of legislation that establish GSA's mission and explained how GSA's mission is linked to key statutes, we reported that GSA could provide other useful information, such as listing laws that broaden its responsibilities as a central management agency and which are reflected in the goals and objectives.

Relatedly, the draft plan did not discuss the potential for crosscutting issues to arise or how these issues might affect successful

accomplishment of goals and objectives. It also made no mention of whether GSA coordinated the plan with its stakeholders. The plan was also silent on the formidable management problems we have identified over the years—issues that are important because they could have a serious impact on whether GSA can achieve its strategic goals. Finally, the plan made no mention of how data limitations would affect its ability to measure performance and ultimately manage its programs. We reported that consideration of these areas would give GSA a better framework for developing and achieving its goals and help stakeholders better understand GSA's operating constraints and environment.

Improvements Made in the Strategic Plan

The September 30 plan reflects a number of the improvements that we suggested in our July 1997 report. The clarity of the September 30 plan is improved and it provides more context, descriptive information, and linkages within and among the six components that are required by the Act. Compared to the April 28 draft, the September 30 plan generally should provide stakeholders with a better understanding of GSA's overall mission and strategic outlook. Our analysis of the final plan also showed that, in line with our suggestion, GSA placed more emphasis on economy and efficiency in the comprehensive mission statement and general goals and objectives components. The September 30 plan also generally described the operational processes, staff skills, and technology required, as well as the human, information, and other resources needed, to meet the goals and objectives. The strategic plan now contains a listing of program evaluations that GSA used to prepare the plan and a more comprehensive discussion of the major pieces of legislation that serve as a basis for its mission, reflecting additional suggestions we made in our July 1997 report.

Furthermore, the September 30 plan's overall improvement in clarity and context should help decisionmakers and other stakeholders better understand the crosscutting, governmentwide nature of GSA's operations as a central management agency. The September 30 plan makes some reference to major management problems in the program evaluations component and also addresses the importance of data reliability in the general goals and objectives component. The improvements that GSA has made are a step in the right direction, and the six components better achieve the purposes of the Act. However, we believe that additional improvements, which are described in the following section, would strengthen the strategic plan as it evolves over time.

Strategic Plan Can Be Further Improved

As we discussed in our July 7, 1997, report on the draft plan, the September 30 plan continues to have general goals and objectives that seem to be expressed in terms that may be challenging to translate into quantitative or measurable analysis. This could make it difficult to determine whether they are actually being achieved. For example, the goal to “compete effectively for the federal market” has such objectives as “provide quality products and services at competitive prices and achieve significant savings” and “open GSA to marketplace competition where appropriate to reduce costs to the government and improve customer service.” However, this goal, its related objectives, and the related narrative do not state specifically how progress will be measured, such as the amount of savings GSA intends to achieve or the timetable for opening the GSA marketplace for competition. OMB Circular A-11 specifies that general goals and objectives should be stated in a manner that allows a future assessment to be made of whether the goals are being met. The OMB guidance states that general goals that are quantitative facilitate this determination, but it also recognizes that the goals need not be quantitative and that related performance goals can be used as a basis for future assessments. However, we observed that many of the performance goals that GSA included in the plan also were not expressed in terms that could easily enable quantitative analysis, which could make gauging progress difficult in future assessments.

The strategies component—how the goals and objectives will be achieved—described the operational processes, human resources and skills, and information and technology needed to meet the general goals and objectives. This component is an improvement over the prior version we reviewed, and applicable performance goals are listed with each of these factors. Although GSA chose to discuss generally the factors that will affect its ability to achieve its performance goals, we believe that a more detailed discussion of how each goal will actually be accomplished would be more useful to decisionmakers. To illustrate with a specific example, the plan could discuss the approaches that GSA will use to meet the performance goals related to its general goal of promoting responsible asset management using operational processes, human resources and skills, information and technology, and capital/other resources.

The plan does discuss, in the general goals and objectives component, an operational/human resource change involving the appointment of a new Chief Measurement Officer in the Public Buildings Service. More discussion of this type of change in the strategies component would help stakeholders better understand GSA's specific strategies to ensure that it

is achieving its goals and objectives. We also noted that the strategies component does not discuss priorities among the goals and objectives. Such a discussion would be helpful to decisionmakers in determining where to focus priorities in the event of a sudden change in funding or staffing. Finally, GSA deferred to the President's budget its discussion about capital and other resources. We believe it seems reasonable to include in this component at least some general discussion of how capital and other resources will be used to meet each general goal.

Although the external factors component in the September 30 plan is much clearer and provides more context than the draft version we reviewed, the factors are not clearly linked to the general goals and objectives. OMB Circular A-11 states that the plan should include this link, as well as describe how achieving the goals could be affected by the factors. This improvement would allow decisionmakers to better understand how the factors potentially will affect achievement of each general goal and objective. The program evaluations component in the September 30 plan provides a listing of the various program evaluations that GSA indicates were used in developing the plan. However, it still does not include a schedule of future evaluations. Instead, the plan states that the schedule for future program evaluations is under development and that GSA intends to use the remainder of the consultation process to obtain input from Congress and stakeholders concerning the issues that should be studied on a priority basis. However, OMB Circular A-11 indicates that the schedule should have been completed and included in the September 30 plan, together with an outline of the general methodology to be used and a discussion of the particular issues to be addressed.

Although the plan does a much better job of setting forth GSA's statutory authorities in the attachment, this description could be further improved if the different statutory authorities discussed therein were linked with either the general goals and objectives or the performance goals included in the plan. Further, the plan only makes limited reference to the other important areas we identified in our July 1997 report—crosscutting issues, major management problems, and data reliability. The plan's improved clarity and context should help decisionmakers understand the crosscutting issues that affect GSA as a central management agency. However, explicit discussion of these issues is limited, and the September 30 plan makes no reference to the extent to which GSA coordinated with stakeholders.

Statement
The Results Act: Observations on GSA's
Strategic Plan

The September 30 plan references major management problems in the program evaluations component, but it does not explicitly discuss these problems or identify which problems could have an adverse impact on meeting the general goals and objectives. Our work has shown over the years that these types of problems have significantly hampered GSA's and its stakeholder agencies' abilities to accomplish their missions. For example, the plan could address how GSA will attempt to ensure that its information systems meet computer security requirements or how GSA plans to address the year 2000 problem in its computer hardware and software systems. The plan does reference data reliability in the general goals and objectives component. However, the discussion of data reliability, which is so critical for measuring progress and results, is limited and not as useful as it could be in attempting to assess the impact that data problems could have on meeting the general goals and objectives. We continue to believe that greater emphasis on how GSA plans to resolve management problems and on the importance of data reliability could improve the plan.

Mr. Chairman, this concludes my prepared statement. I would be pleased to answer any questions.

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